The Oregon Project: How to Put Together the Pieces of Road Usage Charge Legislation

Florida Mileage Based User Fee Alliance Workshop
Tallahassee, Florida
August 15, 2013
History of *User Pays Policy* in Oregon

- Nation’s first gas tax enacted in 1919
- Nation’s first weight mile tax for heavy vehicles enacted in 1933
- Nation’s first cost allocation study completed in 1937
Initial Legislation
Road User Fee Task Force

House Bill 3456 (2001)

- Develop policy recommendations for new revenue system based on road use to replace current system
- Directs DOT to administer RUFTF
- Directs DOT to develop and implement pilot programs based on RUFTF policy recommendations
- Allows for fuel tax refund for pilot participants paying mileage fee
The Original Pilot (2006-07)

Pay-at-the-Pump Model

Wireless Reader

VIN, VMT data, Fuel purchase amount

Service Station POS System

VMT Data, VMT Charge

Central Database

GPS Satellite Signals
Original Pilot Program Technologies
National Review & Support
Operational Objectives for New Version of Per-Mile Road Usage Charge System

1. Choices for mileage reporting choices with no government mandated technologies
2. Access to open market for technologies
3. DOT & private sector administration options
4. Simple and easy for motorists
Three Categories of Mileage Reporting

1. Basic: Report all miles driven
   - Manual reporting
   - Electronic mileage reporting with \textit{no} GPS

2. Advanced: Report miles by geographic location
   - Electronic mileage reporting with GPS

3. Simplified: No reporting
   - Assume maximum annual miles driven
Options for Electronic Mileage Reporting

1. Activate a metering device within vehicle

2. Install a metering device in vehicle

- In-vehicle Telematics or Infotainment System
- OnStar
- PAYD Insurance Dongle
- Navigation Unit
Payment of Road Usage Charge

Invoice

• Receive by mail or email

Options for payment

• Cash
• Check
• Credit
• Debit
• Electronic Funds Transfer
Oregon’s Platform for a New Per-Mile Road Usage Charge System

• Based on machine to machine communications with a standard mileage message
• DOT certifies private sector entities to provide mileage reporting technologies under open system
• DOT certifies private sector entities as tax processing and account management alternatives to government
• Fully scalable, flexible and geographically unlimited
Standard Mileage Message

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```
Standard Mileage Message Decoded

- Vehicle identification number
- Mileage reporting device identification number
- Timestamp for installations and removals of mileage reporting device
- Total mileage during reporting period
- Fuel consumption during reporting period
- For advanced plans, coordinates of mileage traveled
Oregon’s Second Pilot
Road Usage Charge Pilot Program

- November 1, 2012 to February 28, 2013
- 44 volunteer participants from Oregon
  - 8 state legislators
  - Others with policy interest
- Paid road usage charge, received fuel tax credit
- Private sector firms provide
  - Mileage reporting technologies
  - Tax processing and account management
- Washington DOT and Nevada DOT managed 44 additional participants
Option 1: The Basic Plan
(without GPS)

Option 2: The Smart Phone Plan

Option 3: The Advanced Plan
(with GPS)
Option 4: The Basic Plan (without GPS)

Mail
Pay by Check

Option 5: Flat Rate Plan

[Image of check]

PAY TO THE ORDER OF: Oregon Department of Transportation

$135.00

One Hundred Thirty Five Dollars and 00/100

Dollars

MEMO

Joe Motorist

[Signature]

[Date: November 2012]
Choosing your plan

To activate your account, you must choose a charging plan. Your charging plan will include a road usage charge service provider – either ODOT or a private provider, Sanef – and a method to report the miles you drive (click on the plan title in the table below).

Need help? Call toll-free 855-797-1265 or RUCPP@odot.state.or.us

<table>
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<tr>
<th>Plan Options</th>
<th>Miles Reported</th>
<th>Invoice</th>
<th>Payment</th>
<th>Online account management</th>
<th>Uses GPS?</th>
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<td>ODOT Basic Plan</td>
<td>All</td>
<td>Mailed Monthly</td>
<td>Check</td>
<td>No</td>
<td>No, does not report where miles are driven</td>
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<tr>
<td>ODOT Flat Rate Plan</td>
<td>N/A</td>
<td>Once, at start</td>
<td>Check</td>
<td>No</td>
<td>No device</td>
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<td>Sanef Basic Plan</td>
<td>All</td>
<td>Emailed Monthly</td>
<td>credit/debit card</td>
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<td>No, does not report where miles are driven</td>
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<td>Sanef Advanced Plan</td>
<td>Public roads in Oregon only</td>
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<td>Credit/debit card</td>
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<td>Sanef Smartphone Plan</td>
<td>With application running, only roads in Oregon; without application running, all roads</td>
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<td>Credit/debit card</td>
<td>Yes</td>
<td>Yes, when the application is running</td>
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Installation of an On Board Unit
### Road Usage Charge Statement

**From:**
Sanef S.A.
30, Boulevard Gallieni
92 130 Issy les Moulineaux
France

**On behalf of:**
Oregon Department of Transportation
3700 SE 92nd Ave
Portland
Oregon
97216

**To:**
A Customer
123 Main Street
Portland
Oregon
97201

---

**Invoice No:** SI1012-1234
**Invoice Month:** October 2012
**Issue Date:** Nov 5 2012

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**TOTAL Mileage Tax Due**

Total Mileage Tax Due / You are owed a credit of $17.60

**Payment Date**
Dec 05 12

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To pay your Mileage Tax, please visit [https://odot.saneftolling.co.uk](https://odot.saneftolling.co.uk) and follow the on-screen instructions.
Implementation

Oregon Road Usage Charge Legislation (SB 810)

- For 5,000 volunteer light vehicles
- Rate of 1.5 cents per mile
- Rebate of fuel tax paid
- ODOT develops methods of reporting
- Mandates choices for motorists
- At least one reporting choice must not use GPS
- Open market for reporting technologies
- Private sector administration option
- Penalties for false statements, non-payment and tampering
- Protection of personally identifiable information
Privacy Solutions

• Choices of Reporting Method and Provider
  - Basic reporting from odometer
  - Advanced reporting using vehicle location technology
  - Simplified reporting of assumed maximum miles driven

• Selection of Mileage Reporting Device from Marketplace

• Protection of Personally Identifiable Information
  - Limits who has access to PII
  - Imposes obligation to protect PII
  - Destroy mileage data within 30 days after later of
    • Payment processing
    • Dispute resolution
    • Noncompliance investigation
Rate Structure Issues for a Mandatory Road Usage Charge System

- Fairness vs. Simplicity
- Total vs. Partial Replacement of the Fuel Tax
- Low Entry Rate vs. Average Rate
- Single Rate vs. Multiple Rates
- Complete Policy vs. Multiple Steps
Fuel Tax Revenues and Lost Revenues
End Game for the Road Usage Charge?
Start of the Road Usage Charge

Charge Per Mile (in Cents)

MPG
Stepping Into the Road Usage Charge

Charge Per Mile (in Cents)

MPG

- Mileage Tax
- Fuel Tax
What’s Next

• Implementation in Oregon by July 1, 2015
  ▪ Establishment of mileage reporting methods and administrative practices
  ▪ Market formation for road usage charge collection
  ▪ Marketing to volunteers

• Western Road Usage Charge Consortium
  ▪ Multi-jurisdictional issues
  ▪ Precision communications
  ▪ Multiple state pilots
  ▪ Potential for regional system
Road Usage Charge
Program Website

http://www.oregon.gov/ODOT/HWY/RUFPP/Pages/ruc_overview.aspx